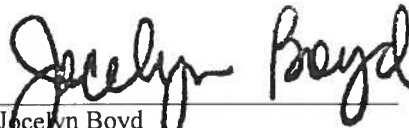


BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2018-212-W

IN RE:	Chief Colleen Walz, St. John's Fire District,)	
	Complainant/ Petitioner)	
)	
	v.)	NOTICE
)	
	Kiawah Island Utility, Inc.,)	
	Defendant /Respondent)	

TO: THE ABOVE NAMED DEFENDANT/RESPONDENT

PLEASE TAKE NOTICE that you are hereby required, pursuant to S. C. Code Ann. Regs. 103-826 and 103-830 of the Commission's Rules of Practice and Procedure, to answer the allegations contained in the Complaint/Petition filed herein, a copy of which is herewith served upon you, and further to serve a copy of your Answer to said Complaint/Petition upon the *Public Service Commission of South Carolina, Attn: Clerk's Office, 101 Executive Center Drive, Suite 100, Columbia, South Carolina 29210; the Complainant/Petitioner; and the Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, South Carolina 29201* and to file your Answer with certification of service with the Public Service Commission at the address below; with the Complainant/Petitioner; and with the Office of Regulatory Staff within thirty (30) days of receipt of the Complaint/Petition, exclusive of the day of such service, and if you fail to answer the Complaint/Petition within the time aforesaid, the Complainant/Petitioner may apply to the Commission for the relief demanded in the Complaint/Petition.



 Jocelyn Boyd
 Chief Clerk/Administrator
 Public Service Commission of SC
 101 Executive Center Drive, Suite 100
 Columbia, SC 29210

12/19/18

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

DOCKET NO. 2018-212-W

IN THE MATTER OF:

Chief Colleen Walz, St. John's Fire District
v.
Kiawah Island Utility, Inc.

)
)
)

CERTIFICATE OF SERVICE

U.S. Postal Service

I, Colanthia B. Alvarez, do hereby certify that I have on the date indicated below served the following named individual(s) with one (1) copy of the Complaint/Petition and one (1) copy of the 30 Day Notice, by U.S. Certified Mail, Restricted Delivery, with sufficient postage attached and return address clearly marked.

PARTIES SERVED:

Corporation Service Company
1703 Laurel Street
Columbia, SC 29201

I, Colanthia B. Alvarez, do hereby certify that I have on the date indicated below served the following named individual(s) with one (1) copy of the Complaint, 30 Day Notice, Notice of Hearing and Prefile Testimony Letter by Electronic Service via PSC Docket Management System.

PARTIES SERVED:

Becky Dennis, Director of Operations
Kiawah Island Utility, Incorporated
31 Sora Rail Road
Kiawah Island, SC 29455

Donald H. Howe, Esquire
Law Offices of Donald H. Howe, LLC
Post Office Box 31324
818 Wappoo Road
Charleston, SC 29417

Charles L. A. Terreni, Esquire
Terreni Law Firm, LLC
1508 Lady Street
Columbia, SC 29201

Jeffrey M. Nelson, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia SC 29201

The Complainant/Petitioner was served a copy of the 30-Day Notice, Notice of Hearing and Prefile Testimony Letter via certified mail:

Colleen Walz, Chief
St. Johns Fire District
Post Office Box 56
Johns Island, SC 29457

Clerk's Office
Public Service Commission of South Carolina

By: Colanthia B Alvarez
Colanthia B. Alvarez

Columbia, South Carolina
December 19, 2018

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

CLERK'S OFFICE

NOTICE OF HEARING

DOCKET NO. 2018-212-W

Colleen Walz, Chief of St. John's Fire District, Complainant/Petitioner v. Kiawah Island Utility, Inc., Defendant/Respondent

PLEASE TAKE NOTICE that a hearing on the above matter, pursuant to S.C. Code Ann. Regs. 103-817, has been rescheduled to begin on **Tuesday, March 12, 2019, at 10:00 a.m.**, before the Commission in the Commission's Hearing Room at 101 Executive Center Drive, Suite 100, Saluda Building, Columbia, South Carolina 29210.

For the most recent information regarding this docket, including changes in scheduled dates included in this Notice, please refer to www.psc.sc.gov and ***Docket No. 2018-212-W***.

Persons seeking information about the Commission's procedures should contact the Commission at (803) 896-5100 or visit its website at www.psc.sc.gov.

12/19/18



The Public Service Commission State of South Carolina

Jocelyn Boyd
Chief Clerk/Administrator
Phone: (803) 896-5133
Fax: (803) 896-5246

COMMISSIONERS
Comer H. "Randy" Randall, Third District
Chairman
Elliott F. Elam, Jr., Second District
Vice Chairman
John E. "Butch" Howard, First District
Thomas J. "Tom" Ervin, Fourth District
Swain E. Whitfield, Fifth District
Justin T. Williams, Sixth District
G. O'Neal Hamilton, Seventh District

Clerk's Office
Phone: (803) 896-5100
Fax: (803) 896-5199

December 19, 2018

IN RE: DOCKET NO. 2018-212-W – Colleen Walz, Chief of St. John's Fire Distric, Complainant/Petitioner v. Kiawah Island Utility, Inc., Defendant/Respondent

TO: ALL PARTIES OF RECORD
Pursuant to S.C. Code Ann. Regs. 103-845:

1. The **Complainant/Petitioner** must prefile with the Commission 1 copy of the direct testimony and exhibits of the witnesses it intends to present and serve the testimony and exhibits of the witnesses on all Parties of Record on or before **February 5, 2019** (must be post-marked on or before this date).
2. The **Defendant/Respondent and the Office of Regulatory Staff** must prefile with the Commission 1 copy of direct testimony and exhibits of the witnesses they intend to present and serve the testimony and exhibits of the witnesses on all Parties of Record on or before **February 19, 2019** (must be post-marked on or before this date).
3. The **Complainant/Petitioner** filing **Rebuttal Testimony** must prefile with the Commission 1 copy of the testimony and exhibits of the witnesses it intends to present and serve the testimony and exhibits of the witnesses on all Parties of Record on or before **February 26, 2019** (Rebuttal testimony and exhibits must be in the offices of the Commission and in the hands of the parties on this date).
4. The **Defendant/Respondent and the ORS** filing **Surrebuttal Testimony** must prefile with the Commission 1 copy of the testimony and exhibits of the witnesses they intend to present and serve the testimony and exhibits of the witnesses on all Parties of Record on or before **March 5, 2019** (Surrebuttal testimony and exhibits must be in the offices of the Commission and in the hands of the parties on this date).

Please be advised that failure to comply with the instructions contained herein could result in your proposed witnesses' testimony and exhibits being excluded in the subject proceeding. Additionally, please note that failure to comply with the above on or before the dates indicated may result in the DISMISSAL of your pleading.

Sincerely,

Clerk's Office

Easterling, Deborah

280906 SA

From: Colleen Walz <c.walz@stjfd.org>
Sent: Tuesday, December 18, 2018 8:28 AM
To: PSC_Contact
Cc: Greta Howe
Subject: St Johns Complaint against Kiawah Utility
Attachments: StJFD Walz hearing reques PSC.pdf

2018-212-W

RECEIVED
DEC 18 2018

Hello,

Please find attached a Complaint being filed against Kiawah Island Utility, Inc.

I have cc'd the Attorney for the St. Johns Fire District, Donald Howe, as he is aware of the filing.

I will forward a copy of this filing via USPS.
If there is anything else I need to do please advise?

Thank you for your attention to this matter.

Colleen J. Walz
Chief, STJFD

"This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager. Please note that any views or opinions presented in this email are solely those of the author and do not necessarily represent those of the District. Finally, the recipient should check this email and any attachments for the presence of viruses. The District accepts no liability for any damage caused by any virus transmitted by this email."

RECEIVED

DEC 18 2018

PSC SC
CLERK'S OFFICE

ST. JOHN'S FIRE DISTRICT

COMMISSIONERS:
 ERIC P. BRITTON, Chair
 DEBRA LEHMAN, Vice-Chair
 LEROY BLAKE
 JOHN CONNOLLY
 SAMUEL BROWNLEE
 MARY JONES
 WILLIAM THOMAS
 FRANK J. BROCCOLO
 STEPHEN ROLANDO

P.O. BOX 56
 1148 Main Road
 JOHNS ISLAND, S.C. 29455
 PHONE: (843) 559-9194
 FAX: (843) 737-0058



COLLEEN WALZ, Fire Chief

FACSIMILE TRANSMITTAL SHEET

TO: Public Service Commission	FROM: St. John's Fire District Colleen Walz
COMPANY:	DATE: 12/18/2018
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER: 8
PHONE NUMBER: (843) 559-9194	SENDER'S REFERENCE NUMBER:
RE:	YOUR REFERENCE NUMBER:

☐ Urgent

☐ For Review

☐ Please Comment

☐ Please Reply

☐ Please Recycle

Notes/Comments:

EMAIL: cc'd - DONALD HOWE - Attorney for ST. Johns

ALSO WILL SEND COPY OF FILING
 CERTIFIED MAIL

Respectfully

Chief Colleen Walz

RECEIVED

DEC 18 2018

PSC SC
 CLERK'S OFFICE



Individual Complaint Form

Date*: 12/17/2018

Complainant or Legal Representative Information:

* Required Fields

Name * Chief Colleen Walz

Firm (if applicable) St. Johns Fire District

Mailing Address * P.O. Box 56

City, State Zip * Johns Island, SC 29457

Phone * 843-559-9194

E-mail c.walz@stjfd.org

Name of Utility Involved in Complaint: * Kiawah Island Utility, Inc

Type of Complaint (check appropriate box below.) *

☐ Billing Error/Adjustments

☐ Deposits and Credit Establishment

☐ Wrong Rate

☐ Refusal to Connect Service

☐ Disconnection of Service

☐ Payment Arrangements

☐ Water Quality

☐ Line Extension Issue

☐ Service Issue

☐ Meter Issue

☒ Other (be specific) Fire Hydrant Rental Fee

Have you contacted the Office of Regulatory Staff (ORS)? * ☒ Yes ☐ No

Name of ORS Contact: Brad Kirby

Concise Statement of Facts/Complaint: * (This section must be completed. Attach additional information to this page if necessary.)

See Attached:
Complaint

Motion approved by the Commission

Map of the St. Johns Fire District

Letter stating the fire hydrant rental fee from Kiawah Island Utility, Inc.

Relief Requested: * (This section must be completed. Attach additional information to this page if necessary.)

The District therefore requests that this fee be directly billed to and collected from customers of Kiawah Island Utility, Inc.

**I GIVE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA PERMISSION TO PUBLISH THIS COMPLAINT AND ITS CONTENTS ON THE COMMISSION'S WEBSITE (dms.psc.sc.gov), AND I UNDERSTAND SUCH INFORMATION MAY BE SUBJECT TO PUBLIC SCRUTINY OR FURTHER RELEASE. ☒ Yes ☐ No

Complainant's Signature* (MUST BE SIGNED, DO NOT PRINT)

STATE OF SOUTH CAROLINA)

COUNTY OF Charleston)

VERIFICATION

I, Colleen Walz, Chief of STJFD

Complainant's Name *

verify that I have read my complaint filed on 12/17/18

Date *

Chief of

St. Johns Fire Dist.

and know the contents thereof, and that said contents are true.

Complainant's Signature* (MUST BE SIGNED, DO NOT PRINT)

Internal Use Only

Processed By

Date

H.E.

Complaint submitted by the St Johns Fire District

The St. John's Fire Commission, by and through its undersigned Commissioners and pursuant to a vote at its regular monthly meeting on June 11, 2018, challenges the reasonableness and fairness of fire hydrant "rental fees" being charged by Kiawah Island Utility, Inc., 31 Sora Rail Road, Kiawah Island, SC 29455. The present rate is \$134.79 per hydrant per year. There are approximately 494 hydrants involved for a total of approximately \$66,586.26.

The St. Johns Fire District is a Special Purpose District created by the South Carolina Legislature in 1959 to provide fire protection to Johns Island, Wadmalaw Island, Kiawah Island, and Seabrook Island. At the time of the creation of the District, the 4 sea islands were very rural areas, indeed both Kiawah and Seabrook were essentially undeveloped. Since 1959 the District has experienced dramatic growth, particularly on Kiawah and Seabrook Islands. Also, some portions of Johns Island have been annexed by the City of Charleston. A map of the District is attached for your reference.

Approximately 40 years ago, the District began the practice of paying "rent" for hydrants based on a flat fee for each hydrant. This "rent" was to cover water usage and infrastructure costs. Although no signed contracts can be found, it appears from meeting minutes in 1979 that the original intent was for the flat fee "rent" to extend for a period of 20 years. Kiawah Island had no water service at that time, but the same procedure was followed when Kiawah later began providing water service and hydrants. The original rate was \$75.00 per hydrant. Over time, a number of changes have taken place which have rendered the original arrangement obsolete.

These changes include:

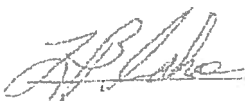
1. The 20 years has expired.
2. Infrastructure costs are now reimbursed by developers.
3. The number of hydrants has increased dramatically.
4. Kiawah has developed into an upscale community and is now incorporated as a town.
5. the water supply for Kiawah is now a private concern for profit.

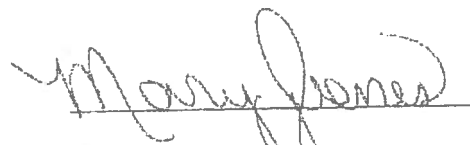
Kiawah Island Utility, Inc. distributes water that originates with the Commissioners of Public Works for the City of Charleston, Charleston Water System. The District has since evaluated its water usage for 2017 and estimates it used less than \$7,000 of water that year. The District believes there is no rational relationship between the amount charged and the services rendered. Also, because the St. John's Fire District is funded by residents from 3 islands not part of the town of Kiawah, there is the appearance that they are being "taxed" to pay for Kiawah's water. It is of note that Wadmalaw Island has no fire hydrants or water service. The District therefore asserts that the present system and rate is not just unreasonable as to amount, but is also unfair because it charges customers not in its service area.

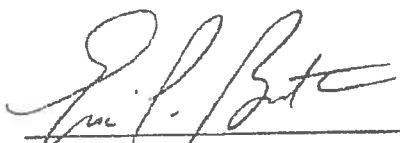
With these things in mind, the district believes the fairest practice would be for the present system to be eliminated and for future billing to be assessed through the water base rate directly to the customers on Kiawah Island. The water base rate is now in place for fire hydrants and related costs at the City of Charleston through the Charleston Water System.

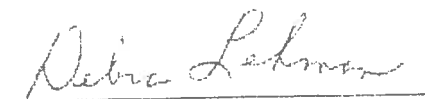
Motion presented to the St Johns Fire District Commission on June 11, 2018

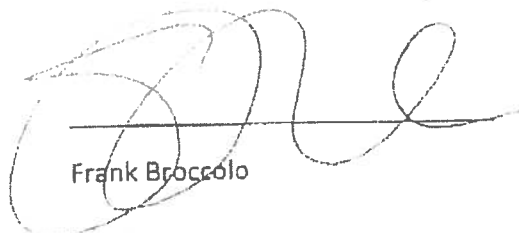
I move that the Commission file an official complaint with the South Carolina Public Service Commission challenging both the reasonableness and fairness of the fire hydrant "rental" fee of \$134.79 being charged by Kiawah Island Utility, Inc. The complaint will seek to have the hydrant fees assessed directly to the customers of Kiawah Island Utility, Inc. and that the amount be adjusted to a reasonable rate.



Leroy Blake

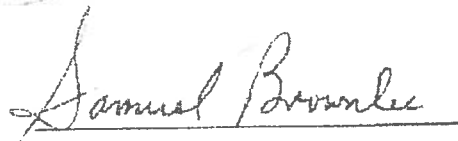

Mary Jones

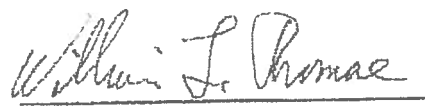

Eric Britton

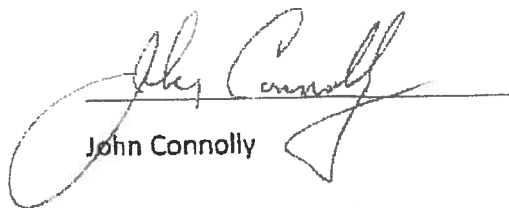

Debra Lehman


Frank Broccolo


Stephen Rolando


Samuel Brownlee


William Thomae


John Connolly



June 12, 2018

Ramona Brown, Controller
St. Johns Fire Department
P.O. Box 56
Johns Island, SC 29457

Re: Fire Hydrant Additions/Annual Charge

Dear Ms. Brown:

Upon receipt of this letter, please remit \$66,586.26 for the referenced annual charge. This reflects a charge of \$134.79/hydrant for 494 hydrants. Please make the check payable to Kiawah Island Utility, Inc., 31 Sora Rail Road, Kiawah Island, SC 29455.

If you need additional information, please contact me at (843) 768-0641 or by email at bdennis@swwc.com

Sincerely,

A handwritten signature in cursive script that reads "Becky J. Dennis".

Becky J. Dennis
Director of Operations

CC: Vicky Dyke, Sr. Accountant

